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Talking Points

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 25X1Soviet-Latin American Military Relations

The Soviet Union continues to maintain its military ties with Cuba, Nicaragua and Peru and is seeking to establish them with Brazil. Cuba remains, by far, its most important client. The continuing flow of large amounts of grant military aid--over \$11 billion since 1960--highlights the importance Moscow attaches to Havana.

- o Soviet military deliveries to Cuba in 1988 amounted to nearly \$1.7 billion, down only slightly from the \$1.8 billion delivered in 1987.

- o Havana continued to receive large numbers of ground forces weapons, such as T-62 tanks and self-propelled artillery, as well as surface-to-air missile systems. Moscow has been upgrading Havana's forces for several years and will continue to do so.

- o The Soviets continue to support Cuba's military with some 2,800 military advisers and the Soviet Brigade remains a symbol of Soviet commitment to the Castro regime.

- o In return for its investments, Cuba provides the Soviet Union with military and intelligence-collection benefits. BEAR reconnaissance and

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antisubmarine warfare aircraft continue to make regular deployments to Cuba, while a small Soviet naval task force makes near annual visits for joint exercises with the Cuban navy. The Soviet-manned intercept site at Lourdes, the largest outside the Soviet Union, allows Moscow to monitor sensitive US maritime, military and space communications.

While the Soviets may contemplate lowering the amount of military aid Cuba receives in the 1990's, the quality of equipment acquired is likely to improve.

Cuba will receive the MiG-29 fighter in the near future. An upgrading of naval assets is likely to occur in the early 1990's, and Havana may acquire new ground forces equipment, such as the T-72 tank.

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Nicaragua - Despite Gorbachev's remarks concerning a cutoff of Soviet military aid to the Sandinista's at the end of 1988, Soviet military assistance to Managua has continued.

- o Military deliveries from the Soviet Union have remained relatively constant over the past two years--over \$500 million worth of military materiel each year.

- o The Soviets continue to ship military materiel directly to Nicaragua, but this has consisted of non-lethal items such as trucks and field kitchens. Lethal aid, such as small arms and munitions, has been transhipped via Cuba.

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- o Managua's major acquisitions in 1988 included Mi-17 helicopters, two patrol craft, and two minesweepers. Moscow also delivered large quantities of trucks, and military consumable items, such as ammunition.

- o Moscow maintains an advisory presence of 50-70 personnel in Nicaragua. Most are technicians engaged in training, servicing and maintenance functions.

Military deliveries have continued in 1989. A further decline in the total delivery value is probable this year due to the lack of Contra activity. If the insurgency problem can be resolved, the Soviets may decide to cut aid levels further in the early 1990's. Managua, however, still views a US or joint US-Honduran invasion as a primary threat and will press the Soviets for military aid to continue the buildup of its conventional forces.

Peru - Soviet-Peruvian military relations appear to be rebounding slightly from a period of failed negotiations and relative stagnation.

- o Soviet military deliveries had sunk from nearly \$100 million in 1987 to less than \$5 million in 1988.

- o The number of Soviet advisers in Peru now numbers 40-50, down from over a 100 just four years ago, and Lima apparently wants to reduce the number still further due to budget problems.

- o Negotiations throughout 1988 for new helicopters, tanks, and new fighter aircraft were a failure. Problems arose because of Soviet desires to cut

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expenses associated with ties to Third World states, Lima's inability to pay for new equipment, and Moscow's concern with Peru's domestic instability.

[] a compromise was worked out earlier this year. The Soviets apparently extended a line of credit to Peru and Lima subsequently decided to purchase 14 Mi-17 helicopters. The deal underscores the Soviet desire to maintain the military relationship. The prospect of concluding future agreements has improved somewhat, although future negotiations will continue to be protracted. The Soviets may be reluctant to extend additional concessional financing for equipment purchases.

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Brazil - The Soviets have expressed interest in expanding their ties with Brazil, including establishing military ties.

- o A high level Soviet delegation recently visited Brazil to discuss space cooperation issues and apparently also discussed the sale of Soviet fighters and the provision of military training.

- o The Soviets and the Brazilians had previously agreed to the first time exchange of military attaches later this year.

Moscow's offer of fighter aircraft signals that it is willing to establish significant military ties with Brazil. Brasilia, however, is almost certainly not interested in purchasing Soviet military equipment. The Brazilian military remains concerned over how to limit the access of future Soviet military attaches.

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